

CHAPTER NO. 976

HOUSE BILL NO. 1086

By Representatives Head, Armstrong, Givens, Bittle, Kent, Whitson, Wood, Ralph Cole, Westmoreland, Mumpower, Gosey, Bowers

Substituted for: Senate Bill No. 1194

By Senator Ramsey

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, relative to the application of sales tax to aircraft sales.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-102, is amended by adding thereto the following additional appropriately numbered subsection:

() "Aircraft" has the same meaning used in Tennessee Code Annotated, §42-1-101.

SECTION 2. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following new, appropriately numbered section:

Section __. (a) Notwithstanding any provision of this chapter to the contrary, after June 30, 1998, no tax is due with respect to aircraft if such aircraft was owned on or before May 1, 1998. The provisions of this subsection shall only apply if such aircraft is imported into this State between June 30, 1998, and December 31, 1998.

(b) Notwithstanding any other provision of this chapter to the contrary, sales or use tax payable to the State with respect to aircraft shall be levied at the rate of sales tax levied on the sale of tangible personal property on the first one hundred thousand dollars (\$100,000) of the sales price of the sale or use of any single article of aircraft. The sales or use tax payable to the State with respect to aircraft shall be levied at the rate of three percent (3%) on the sales price in excess of one hundred thousand dollars (\$100,000) of the sale or use of any single article of aircraft. "Single article" has the same meaning as used in §67-6-702(d).

SECTION 3. Section 1 and Section 2(a) shall take effect upon becoming a law, the public welfare requiring it. Section 2(b) shall take effect July 1, 1999, the public welfare requiring it. Section 2 is repealed July 1, 2001.

PASSED: April 29, 1998


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 18th day of May 1998


DON SNOGRASS, GOVERNOR